

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3649 - SB 3533

March 4, 2010

SUMMARY OF BILL: Defines requirements for environmental covenants. Requires the Department of Environment and Conservation (TDEC) to establish and maintain a registry that contains all environmental covenants and any amendment or termination of those covenants.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures –

\$2,800/One-Time/Environmental Protection Fund (EPF)

\$800/One-Time/General Fund

\$35,000/Recurring/EPF

\$10,400/Recurring/General Fund

Decrease Local Revenue – Exceeds \$10,000

Assumptions:

- According to the TDEC, one additional Clerk 3 position will be needed to meet the requirements associated with maintaining records of covenants at a recurring cost of \$30,300 (\$22,600 salary and \$7,700 benefits). One-time expenditures associated with the creation of one new position will be \$3,600 (office supplies and equipment).
- Other recurring expenditures associated with maintaining records and supporting one additional position will be \$15,100 (computer equipment and software, printing, office supplies).
- According to TDEC, the baseline ratio for the Division of Solid Waste Management is 23 percent state appropriations and 77 percent Environmental Protection Fund. The precise ratio cannot be reasonably determined and is subject to variation each year.

- Local property tax revenue would decrease if development of land is delayed or stopped. The precise amount cannot be reasonably determined as it is dependent on stages of development and specific terms of covenants. The decrease to recurring local revenue is estimated to exceed \$10,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a more compact, stylized script, followed by "W." and "White" in a more legible but still cursive style.

James W. White, Executive Director

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